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UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Electrification Administration

BFDK-B2
10-11-45

Administrative Bulletin



SUBJECT: Award of Borrowers' Construction Contracts

1. The construction of electric properties and related work is the responsibility of a borrower as the owner and manager of its system. The Rural Electrification Administration, however, as the agency charged with responsibility for carrying out the Federal rural electrification program, is responsible for the proper expenditure of Government funds made available pursuant to the Rural Electrification Act and has the further responsibility as mortgages to assure itself that the physical properties that serve as security for loans are properly and adequately constructed.
2. It shall be the policy of the Administration to require a borrower, except with the specific approval of the Administrator, to award each construction contract to the lowest responsible bidder, unless all bids are rejected or unless the Administrator shall approve the award of the contract to another responsible bidder upon a showing by the borrower that the award of the contract to such bidder is in the best interests of the borrower.
3. The award of a contract shall not be approved if the facts indicate that the bidder has an interest conflicting with that of the borrower.
4. This Bulletin supersedes all other existing instructions in conflict with the provisions of this Bulletin.

Charles A. Wickard

Administrator

Index:

Award of Borrowers' Construction Contracts
Construction Contracts; Award of Borrowers'
Contracts: Construction; Award of Borrowers'

DEPARTMENT OF AGRICULTURE
Rural Electrification Administration

Administrative Memorandum

SUBJECT: Authorization to Sign Travel Orders

1. The Head of the Internal Accounting and Travel Section, the Head of the Audit Unit of the Internal Accounting and Travel Section, and the Chief or Assistant Chief of the Administrative Services Division are authorized on behalf of the Administrator to sign an "Authorization-Travel," Form AD-202, (except authorizations covering air travel where excess cost is involved) when the travel has been approved by the Administrator, Deputy Administrator, or Assistant Administrator.
2. This Memorandum supersedes all sections of the Administrative Memorandum of April 20, 1945, under the subject of "Authorization to Sign Travel Orders," and all sections of the Administrative Memorandum of January 23, 1945, under the subject of "Authorization to Sign Travel Orders" with the exception of Section 5 which reads as follows: "This Memorandum, together with the Administrative Memorandum of January 23, 1945, under the subject of 'Authorization to Travel,' rescinds General Order No. 169 of April 28, 1942. It, together with the Administrative Memorandum of January 23, 1945, under the subject of 'Authorization to Certify REA Administrative Payrolls,' the Administrative Memorandum of January 23, 1945, under the subject of 'Authorization to Sign REA Contracts or Purchase Orders,' the Administrative Memorandum of January 23, 1945, under the subject of 'Authorization to Certify REA Purchase Vouchers' and the Administrative Memorandum of January 23, 1945, under the subject of 'Authorization to Certify REA Vouchers for Reimbursement for Travel,' rescinds General Order No. 2 of May 20, 1935. It also supersedes all other existing instructions in conflict with the provisions of this Memorandum."

Claude R. Wickard

Administrator

Index:

Authorization to Sign Travel Orders
Travel Orders; Authorization to Sign

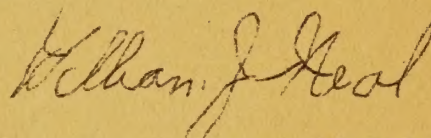
UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Electrification Administration
St. Louis 2, Missouri

February 21, 1945

Administrative Memorandum

SUBJECT: Authorization to Certify or Sign Administrative Vouchers

1. The Administrative Officer in Charge of the Budget Office, the Budget Officer, or the Chief of the Finance Division, is authorized on behalf of the Administrator to sign or otherwise certify REA administrative vouchers or schedules, including War Bond schedules, not otherwise covered by a specific authorization.
2. This Memorandum supersedes all other existing instructions in conflict with the provisions of this Memorandum.



Acting Administrator

DEPARTMENT OF AGRICULTURE
Rural Electrification Administration

Administrative Bulletin

SUBJECT: Policy Relating to Generation Loans and Transmission Loans

1. The Rural Electrification Administration will make loans to finance the initial construction of generation facilities and transmission facilities only under the following conditions:
 - a. Where no adequate and dependable source of power is available in the area to meet the borrower's needs, or
 - b. Where the rates offered by existing power sources would result in a higher cost of power to the borrowers than the cost from facilities financed by REA.
2. This Bulletin supersedes all other existing instructions in conflict with its provisions.

Charles R. Wickard

Administrator

Index:

Generation Loans; Policy Relating to
Loans; Policy Relating to Generation and Transmission
Policy Relating to Generation Loans and Transmission Loans
Transmission Loans; Policy Relating to

UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Electrification Administration
St. Louis 2, Missouri

January 13, 1945

Administrative Memorandum - Revision No. 2

SUBJECT: Modifications of Loan Policy of Rural Electrification
Administration in Consequence of Title V of the Department
of Agriculture Organic Act of 1944.

The section entitled "Acceleration of Payments of Principal and Interest" in the Administrative Memorandum, Revision No. 1, of December 1, 1944, under subject of "Modifications of Loan Policy of Rural Electrification Administration in Consequence of Title V of the Department of Agriculture Organic Act of 1944" is hereby revised as follows:

"ACCELERATION OF PAYMENTS OF PRINCIPLE AND INTEREST

"After the effective date of the Act, provision shall be made in the loan documents that the Administrator may require that revenues arising from the operation of the system shall be applied to the payment of or on account of the principal of or interest on any one or more of the outstanding notes designated by the Administrator in an amount not to exceed in any one calendar year 5 percent of the amount of the principal of such note or notes advanced and unpaid at the time such payment is required; provided, however, that the borrower may at all times ~~retain~~ operating funds reasonably adequate for current operating purposes."

/s/ WILLIAM J. NEAL

Acting Administrator

UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Electrification Administration

September 7, 1944

Administrative Bulletin

SUBJECT: Use of the Funds of Borrowers for Education Purposes

Proper and efficient management is the responsibility of borrowers as owners and managers of their systems, and it is assumed that as they acquire experience they will become progressively more efficient in the proper use of all tools of management of which an educational program is one. However, in the public interest and in representing the government as mortgage, it is the responsibility of the agency (including the Rural Electrification Division of the Office of the Solicitor) to offer borrowers guidance, and on occasion expert assistance, with respect to management of their systems.

A borrower should, unless restricted by its articles of incorporation or otherwise by law, expend a reasonable and proper amount of money from its operating revenues for the education of its members in cooperative principles and the effective use of electric energy and other services that are made available by the borrower. Such education should be planned, conducted and supervised by its Board, its manager, or a committee composed of its members, serving without compensation for such purpose; and in no event should a borrower transfer any of its responsibilities to a person or institution the objectives of which are not coextensive or in accord with those of the borrower. To be reasonable and proper such expenditure should not be such as to impair or tend to impair the financial status and the effective and efficient management of the system. Nothing contained in this statement of policy should be interpreted as preventing or restraining a borrower from collaborating with other persons or institutions with respect to its educational program, or from using the services of skilled individuals in planning or conducting such program.

/s/ William J. Neal

William J. Neal
Acting Administrator

